

Notice to Enrollees in  
The Commonwealth of Kentucky Flexible Benefits Plan  
(Commonly known as the Kentucky Employees Health Plan)

Under a Federal law known as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, as amended, group health plans must generally comply with certain requirements. However, the law also permits state and local governmental employers that sponsor health plans to elect to exempt a plan from these requirements for any part of the plan that is "self-funded" by the employer, rather than provided through a health insurance policy. The Commonwealth of Kentucky has elected to exempt the Commonwealth of Kentucky Flexible Benefits Plan from the following requirement:

Prohibitions against discriminating against individual participants and beneficiaries based on health status. A group health plan may not discriminate in enrollment rules or in the amount of premiums or contributions it requires an individual to pay based on certain health status-related factors: health status, medical condition (physical and mental illnesses), claims experience, receipt of health care, medical history, genetic information, evidence of insurability, and disability. **The sole differentiation among enrollees in the Commonwealth's Plan relates to the incentive, through a greater employer contribution, offered to enrollees that refrain from the use of tobacco products. No other health-related factors are used to distinguish enrollees.**

The exemption from this Federal requirement will be in effect for the 2008 Plan Year beginning January 1, 2008, and ending December 31, 2008. The election will be renewed for subsequent plan years.

Further information is available by contacting the Personnel Cabinet, Department for Employee Insurance, Member Services Branch at (888) 581-8834 or (502) 564-6534.